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SUBCOMMITTEE ON OVERSIGHT AND
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October 15th, 2014

1257

Chairman Tom Wheeler
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Dear Chairman Wheeler:

Access to broadband technology is fundamental to our competitiveness as a nation. As a member of Congress whose district has many rural areas, I understand the importance of government programs that incentivize the extension of broadband service to all regions of the country. The Universal Service Fund (USF) and the Connect America Fund (CAF) are critical programs that extend broadband access to all Americans, and I commend the Commission's extensive approach to encourage full participation in broadband technology.

It has come to my attention, however, that the Federal Communications Commission has proposed technology requirements for industry participation in the Connect America Fund Phase II. These technology restrictions include 100 millisecond latency qualifications that are impossible for some broadband technologies to achieve. Satellite companies are inherently disqualified from competing for CAF opportunities because they cannot achieve the 100 millisecond technology requirements. Satellite broadband technology is restricted by geospatial limitations that terrestrial broadband technologies do not encounter.

I am concerned that the proposed technology requirements have the potential to limit competition in a field where competition should be paramount. By allowing customers to experience all broadband technologies, they will have the ability to receive the service that best suits their needs and receive service that is representative of all available technology in the marketplace. I respectfully request the FCC to clarify the latency requirements that exempt certain broadband technologies from participating in the Connect America Fund program.

Thank you for your attention to this matter and I look forward to your response.

Sincerely,

A handwritten signature in blue ink, consisting of a stylized 'J' followed by a horizontal line.

John K. Delaney
Member of Congress



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

February 27, 2015

The Honorable John Delaney
U.S. House of Representatives
1632 Longworth House Office Building
Washington, D.C. 20515

Dear Congressman Delaney:

Thank you for your letter regarding the implementation of certain aspects of Phase II of the Connect America Fund (CAF Phase II). In your letter, you express concerns that the Commission has proposed technology requirements for industry participation that limit competition. Specifically, you are concerned that the 100 millisecond latency requirement disqualifies satellite companies from participating in CAF Phase II. Your letter raises an important issue, and it will both be included in the record of the proceeding and be considered as part of the Commission's review.

The universal service program is one of the most important tools at our disposal to ensure that consumers and businesses in rural America have the same opportunities as their urban and suburban counterparts to be active participants in the United States of the 21st century. We are focused on updating the universal service high-cost program to ensure that we are delivering the best possible voice and broadband experiences to rural areas of states within the confines of our Connect America budget, while providing increased certainty and predictability for all carriers and a climate for increased broadband expansion.

As you know, the Commission is moving forward as quickly as possible with the implementation of CAF Phase II. One of the next steps that we will take in this regard is to complete the process of adopting the rules and requirements that will apply to the competitive bidding process we will implement as part of CAF Phase II. And one of our primary policy goals for this competitive bidding process is to ensure that we have widespread participation from all providers that can deliver a high-quality service because more providers means that we will be able to use our limited USF dollars efficiently to deliver the best possible solutions.

Last July, the Commission adopted a *Rural Broadband Experiments Order* that established a limited auction of CAF funds to gather information about how to effectuate this policy goal. The specific requirement you raise was adopted by the Commission as part of that Rural Broadband Experiments Order for two of the three categories of funding. The Commission adopted a Mean Opinion Score (MOS) instead of a latency standard for voice communication in the third category of funding. The Commission believes that latency is an important consideration because it is critical to the proper functioning of real-time over-the-top applications like two-way voice and video. However, I believe the Commission should remain open to other means to addressing this concern. For example, ViaSat, Inc. (ViaSat), a satellite provider, submitted a waiver proposal as part of its bids in the rural broadband experiments that it argued

would enable the company to meet the needs of consumers in the most effective and efficient manner possible, without necessarily meeting the latency standard. While that waiver request was denied for purposes of the experiments, we remain interested in considering ViaSat's request in the docket as we move forward with consideration of the CAF Phase II competitive bidding process.

I strongly encourage satellite companies and other potential providers to enter their comments and proposals into the public record and engage with Commission staff on this issue. We do not want to leave some providers out of the competitive bidding process merely because a creative solution did not come to our attention in a timely manner and interested stakeholders did not have the opportunity to weigh in on what standards should be applied to potential bidders. The Commission's staff will review the record and give all the arguments due consideration before we move forward with any decisions.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in dark ink, appearing to read "Tom Wheeler", with a stylized, cursive script.

Tom Wheeler